

**MINING OVERSIGHT / LOCAL IMPACT COMMITTEE (MO/LIC)
MEETING MINUTES # 6—2011**

DATE: July 8, 2011

TIME: 9:30 a.m.

PLACE: Committee Room # 1—2nd Floor; Oneida County Court House; Rhinelander WI

PRESENT: Committee Chair Dave Hintz; Committee Members Tom Rudolph; Peter Wolk; Mike Timmons; Gary Baier; Assistant Forest Director Paul Fiene; David Schatzley; Corporation Counsel Brian Desmond; Planning & Zoning Director Karl Jennrich.

OTHERS PRESENT: Sharon and Alan Van Raatle; Lynne Broydrick; Paul Knuth; Tracy Benlel.

CALL MEETING TO ORDER—Committee Chair Hintz called the meeting to order at 9:30 a.m., noting that the meeting had been properly posted in accordance with the procedures set forth by the Wisconsin Open Meeting Law.

APPROVE CURRENT AGENDA WITH THE ORDER OF THE AGENDA AT CHAIR'S DISCRETION—It was moved by Rudolph, seconded by Wolk, to approve the current agenda with the order of the agenda at Chair's discretion. Motion carried.

APPROVE MINUTES OF MAY 13, 2011 MO/LIC MEETING—It was moved by Wolk, seconded by Baier, to approve the minutes of the May 13, 2011 meeting. Motion carried.

REVIEW AND DISCUSS "STATEMENT OF INTEREST PACKAGES" AND SHORT TERM ACTION PLAN—"Statement of Interest" packets from Tamerlane Ventures, Inc and Josephine Mining Corp. had been distributed to the committee prior to the meeting. A supplemental document from Tamerlane was given to Chair Hintz and was distributed at the meeting. Chair Hintz asked that each member of the committee give their opinion on the packets and how they feel the Committee should proceed.

Synopsis of opinions were as follows:

Hintz feels environmental protection and economic impacts must be considered along with adhering to all regulations in the process. Ch. 9 of the Oneida County Code should be enacted during this process. Environmental and economic aspects may conflict with one another.

Rudolph feels if the mine can't be operated in an environmentally friendly manner it should not be permitted. He also feels Tamerlane is not in favor of a bidding process. The county should commit to a bidding process regardless. Favors following Ch. 9.

Wolk agreed with Rudolph. He also felt the proposals contained a lot of "fluff". If the mine can be done safely and follow all regulations then it should proceed. Feels the bidding process is a must.

Baier feels the mine must first and foremost be environmentally friendly. Ch. 9 must be adhered to. Ch 9 may need some revisions. County has more options due to the fact we own the land the mineral deposit sits on.

Schatzley questioned whether the two companies (Tamerlane and Josephine) are somehow related seeing as they are both based out of Washington State. He also wondered why no local companies expressed an interest. He stated that Josephine is a new company and thus may have a minimal financial statement. He questions the financial stability of Tamerlane. He feels they will sell the mining operations to another company if they are the successful bidder. He feels mining is a reactive, not proactive venture. We will be reacting to problems after they surface, such as “will there be money set aside to pump water in from Price County if the mine pollutes the water in Lynne?” We need to move ahead cautiously.

Timmons agrees that we need to follow Ch. 9 and that it may need some tweaking. He would like more time to study the “Expression of Interest” packets submitted by the two companies. He feels the environment should come before the economics.

After each member gave their opinion the consensus of the committee was that the next step should be a review of Ch. 9 of the Oneida County Code dealing with mining. It was moved by Hintz, seconded by Timmons, to request Corporation Counsel Desmond provide a summary of Ch. 9 to the committee for the next meeting. Motion Carried.

REVIEW ORDINANCE AMENDMENT TO MAKE A DESIGNEE OF AN AFFECTED TOWN A MEMBER OF THE COMMITTEE WITH VOTING RIGHTS—

Corporation Counsel Brian Desmond handed out the resolution that had been drafted regarding this matter. Key points being that several sections of the County Code will need to be amended to allow this and that the only Town that will have a representative on the committee will be the town in which the mine physically is located (in this case it is the Town of Lynne). It was moved by Baier, seconded by Timmons, to approve the ordinance amendment and forward it to the County Board. Discussion ensued. Rudolph stated he can't support this resolution because it would give one town 2 votes on the matter considering the fact that each town already has a representative on the board and the representative for the Town of Lynne also sits on this committee. Schatzley stated that there would be no fiscal impact of his being a voting member due to the fact he already receives a per diem and mileage from the county for attending these meetings. Roll call vote was taken. Hintz: aye; Rudolph: nay; Wolk: aye; Baier: aye; Timmons: aye. Motion carried with 4 ayes and 1 nay.

REVIEW RESOLUTION TO USE FUNDS FROM COUNTY MINING IMPACT ACCOUNT—

Corporation Counsel Brian Desmond distributed the resolution. He stated that there is approximately \$14,000.00 left in the fund. However, some money may be returned to the fund that was used for a bridge upgrade by the Forestry Department. He emphasized that the money to be taken out of this fund is to be repaid to the fund from any profits the County realizes from mining (i.e. this is only a loan). It was moved by Wolk, seconded by Baier, to approve the resolution and forward it on to the County Board. Discussion ensued. Rudolph stated that this is not in accordance with the stipulation that money from this fund be used for “the benefit of future generations” and that there is no guarantee that the money will be paid back. If no mine is

developed, the county will see no profit and therefore the money will not be returned. Baier says we should use this money instead of passing the cost onto the taxpayers. Roll Call Vote was taken: Hintz: aye; Rudolph: nay; Wolk: aye; Baier: aye; Timmons: aye. Motion carried on a vote of 4 ayes, 1 nay.

MINING BUDGET UPDATE, INCLUDING POTENTIAL STATE FUNDING--Chair Hintz stated that we are close to the budget limit with approximately \$1,500.00 remaining in the budget. He also stated that if the committee decides to proceed with a bidding procedure that it will cost additional money. Hintz stated that he has recently been informed there is approximately \$205,000.00 in the State Mining Impact Fund; however, the State has not reinstated the mining board so drawing on these funds may be difficult. Wolk feels we should continue writing our representatives to try to get the State to reinstate the board. Desmond says the money will not be paid out until an intent to mine document has been submitted. Schatzley feels we should simply submit a claim for funds to the State and maybe that will force them to take action. Baier agreed in that he felt that will get Oneida County's name on the list for the funds considering the fact we have two statements of interest to develop the mine. Hintz feels it would be more effective to contact representatives by phone or in person. No action taken.

PUBLIC COMMENTS—Alan Van Raatle, Town of Little Rice, read a statement that a 20 year “economic boom” may set the county up for hard times following the closure of the mine. He also said the infrastructure left over from a mine would be of little use to the county.

Paul Knuth feels the State won't release any money until an intent to mine document is submitted. If we apply for money make sure to say it's for mining impact expenditures. He says we need to “stay on the Governor” about the mining money and committee. He says this money is not a grant; it's reimbursement of mining impact expenditures and should have no strings attached.

Lynne Broydrick, Tamerlane Ventures Inc., stated that Tamerlane has no connection to Josephine. They are both located in Washington state due to them being Canadian companies and the proximity to Canada. She also said Tamerlane was not aware this was going to be a bidding process and were disappointed to find that out. However, they will accept the fact that it will be bid out. She also stated that U.S. citizens can buy stock of Canadian companies.

Tracy Benlel, Iron County WI Consultant. would like to see this committee submit a request for the State funds seeing as this is the only Mining Impact Committee that has been formed in Wisconsin and that is a requirement for the funds to be distributed and the committee to reconvene. He also said the new proposed legislation to streamline the permit process for a mine to 300 days is simply the permit period. Environmental Impact Studies etc... would still take much more time.

Bob Berns, Oneida County taxpayer, says the committee should be in contact with the Department of Revenue as they are the ones who have authority over the State mining money. The DNR is simply a support agency.

BILLS / VOUCHERS / LINE ITEM TRANSFERS (IF NECESSARY)—It was moved by Baier, seconded by Wolk, to approve payment of the following vouchers: Capital Newspapers \$96.52; Gonzalez, Saggio & Harlan: \$5250.00. Motion Carried.

It was moved by Rudolph, seconded by Timmons, to approve payment of the following blanket purchase order: Northwoods River News: \$61.17. Motion Carried.

SELECT DATE(S) FOR FUTURE MEETING(S)--July 29, 2011 at 9:30 a.m. was selected as the date for the next meeting. Baier informed the committee that he will not be able to attend that meeting as he will be out of town.

AGENDA ITEM(S) FOR FUTURE MEETING(S)—Ch. 9 Summary from Corporation Counsel; Short Term Action Plan; Discuss opinion survey of Town of Lynne residents taken by a private citizen.

ADJOURNMENT—It was moved by Rudolph, seconded by Timmons, to adjourn the meeting at 11:02 a.m. Motion Carried.

**DAVE HINTZ
COMMITTEE CHAIR**

**PAUL FIENE
RECORDING SECRETARY**